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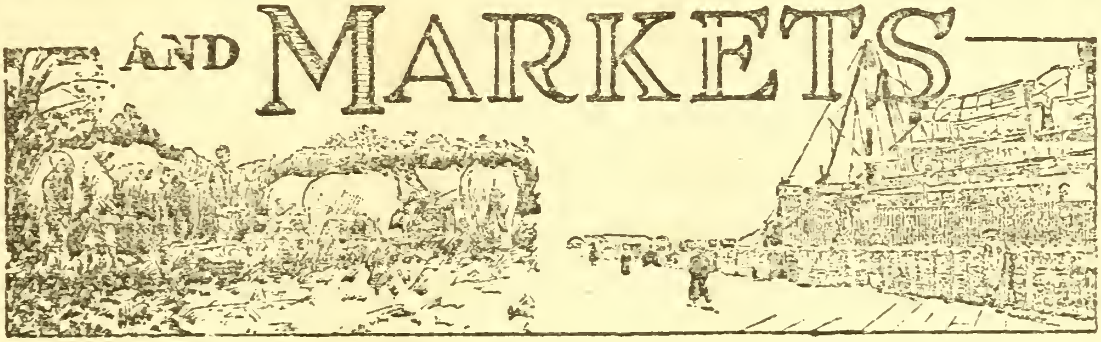
FOREIGN CROPS AND MARKETS



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FEATURE ARTICLE

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA

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LATE CABLES

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New Zealand preliminary estimate of 1935-36 production reported as follows, with 1934-35 comparisons in parentheses: Wheat 8,414,000 bushels (5,933,000), barley 735,000 bushels (505,000), oats 3,858,000 bushels (2,363,000). (International Institute of Agriculture, Rome, February 13, 1936.)

India sugar cane area and production, final estimates for 1935 with 1934 comparisons in parentheses, 4,007,000 acres (3,477,000), 6,614,000 short tons (5,722,000). (International Institute of Agriculture, Rome, February 8, 1936.)

Egyptian cotton ginnings to January 31 reported at 152,000 bales of Sakellaridis and 1,293,000 bales of other varieties compared with 146,000 bales of Sakellaridis and 1,055,000 bales of others to January 31, 1935. (International Institute of Agriculture, Rome, February 13, 1936.)

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CROP AND MARKET PROSPECTS

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BREAD GRAINS

The European wheat situation a/

The European grain situation in January was featured by unusually mild weather and by the virtual absence of Argentine offerings. Most of Europe, including European Russia, has experienced unusually mild weather during recent weeks. In many western and southern countries, especially in France, rainfall continued too heavy and is now causing concern for the new crop. Crop prospects this season are likely to have a greater influence on the world wheat situation than they have had for several years because, with few exceptions, excessive European bread-grain surpluses have been or soon will be reduced to manageable proportions.

Imports of Canadian and Australian wheats were in good volume, but takings of Plates were very small. Intra-European trade was generally of small volume. Disregarding compensation trade, the wheat trade seems to be giving more attention to the price factor. High-quality wheat is not considered absolutely essential in certain countries where the scarcity of foreign exchange presents an acute problem. Verification of this is seen in the relatively large continental purchases of lower grade Canadian wheats, especially No. 4 and No. 5 Manitobas.

Snow covering is scarce over most of Europe, and as a result of continued mild weather and excessive rains, the condition of the winter wheat crop is reported to be the poorest in years. Reports from France are particularly pessimistic. Changes in crop prospects during the next few months should prove to be more important as a market price factor than in recent years. For the past several seasons, substantial carry-over supplies in most European countries have tempered the effect of new crop news. These supplies have now been so reduced that lower yields would make for definitely larger imports. Developments in the Danube Basin are being paid particular attention by the European importing countries this season.

Unfavorable weather conditions reduced fall seedings of grain in several European countries including France, Spain, Rumania, and England. The condition of the wheat crop in France at the beginning of January was officially reported to be well under that of the same time a year ago and further deterioration was reported during the month. Seedings of spring wheat in 1936 may show some increase over recent years unless weather conditions are unfavorable, but they are not expected to be extensive enough to offset the decline in the fall-sown acreage. Furthermore, yields of spring wheat usually average less than those of winter wheat.

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a/ From a report of the Berlin Office of the Foreign Agricultural Service, based in part on information furnished by the offices in Paris, Belgrade, and London.

CROP AND MARKET PROSPECTS, CONT'D

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The most outstanding feature of the European import trade during January was a scarcity of Argentine wheat. Argentine Plates have practically ruled the European import markets for the past few seasons, especially during the winter and spring months when the new crop was being marketed. The lack of Argentine offerings has been due to the small crop, and purchases were discouraged by the fixing of the high minimum price by the Argentine Government early in December. Plates are now relatively more expensive than other types of wheat and in recent weeks were even quoted in England above No. 2 Manitobas. Australian wheat seems to have benefited particularly from the existing price and supply situation, and the trade estimates that one fourth of the Australian surplus has already been disposed of in Europe.

The intra-European trade was also generally active in January though the volume was small. In some countries it appeared to be a case of surplus stock liquidation. French offers were readily taken, mostly by the United Kingdom, at prices comparable to those obtained for good Manitobas earlier in the season. French exports, however, were restricted during January because of the poor condition of the new crop and the complicated system required in exporting government reserve stocks. Sweden released about 735,000 bushels of wheat for export during January, most of which went to The Netherlands. Some wheat was exported from Poland to Denmark, England, and western Europe, and some German wheat was sold to the Netherlands in a compensation trade. Small quantities of wheat and rye moved from the Baltic States to southern European countries. Exports from the Danube Basin were very small during January, and, in view of the high domestic prices prevailing in these countries, it is possible that a part of the export surplus, particularly in Rumania and Yugoslavia, will be carried over into the new marketing season.

The Shanghai wheat market

Flour prices on the Shanghai market advanced to a slightly higher level during the week ended February 7, but quotations on foreign wheat were still above local flour parity, according to a radiogram from the Shanghai office of the Foreign Agricultural Service. The mills in Shanghai increased their activity during the week, and their supply of wheat was estimated to be sufficient for about one month only. Shipments of flour to South China increased, but none reached North China, where the ports were icebound. Flour stocks were unchanged at 1,000,000 bags.

Prices of wheat, c.i.f. Shanghai duty included, for March delivery were quoted in cents per bushel as follows: Australian (New South Wales) 96, Canadian No. 4, 101, No. 5, 94. Domestic wheat for February delivery

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was 85 cents per bushel, March 87 cents. Domestic flour for both February and March delivery was $1.00 per bag of 49 pounds; Australian flour, c.i.f. Hong Kong, $3.51 per barrel of 196 pounds.

Flour imports into Manchuria in December were reported by the Consul at Dairen as follows, with comparisons for December 1934 in parentheses: From Japan 153,000 barrels (310,000), Australia 142,000 (449,000), Chosen 0 (2,000), China 8,000 (0), total 303,000 barrels (761,000). For the period July-December 1935 as against the corresponding months of 1934, flour imports were as follows: United States 0 (11,000), Canada 5,000 (2,000), Australia 843,000 (1,284,000), Japan 1,097,000 (1,555,000), Chosen 9,000 (18,000), China 30,000 (482,000), total 1,984,000 barrels (3,352,000). The decline this season resulted largely from the increased domestic production of wheat in Manchuria and to some extent from the higher quotations prevailing on foreign flour.

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OILS AND OILSEEDS

Chinese exports of certain oilseed products increase

China's tung oil exports during the 1935-36 season, which began November 1, are expected to be around 160,000,000 pounds, in comparison with 147,000,000 pounds exported in 1934-35 and 155,000,000 pounds exported in 1933-34, according to information received from Agricultural Commissioner Owen L. Dawson, at Shanghai. Exports to the United States last season amounted to 99,000,000 pounds as against 102,000,000 pounds the preceding year.

Prices during the 1934-35 season advanced to high levels, reaching their peak late in the summer of 1935, due to active foreign demand and scarcity of domestic supplies. With the heavy arrival of new crop oil since November 1, 1935, prices have been declining, although they are still considerably above those prevailing a year ago. Hankow f.o.b. quotations in December 1935 averaged 11.45 cents (United States currency) compared with 7.70 cents per pound in December 1934. It is believed that prices may decline still further since the present foreign demand is less active than in the preceding months.

Chinese sesamum seed exports during the 1934-35 crop year amounted to 245,467,000 pounds as against 58,000,000 pounds in 1933-34. Shipments to the United States during the former season were 146,000,000 pounds, compared with only 7,700,000 pounds during the latter season. Prices of sesamum seed at Hankow have been firm for several months. In December 1935 they averaged 2.4 cents per pound, as against 2.1 cents per pound in December 1934.

CROP AND MARKET PROSPECTS, CONT'D

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Total exports of shelled peanuts from China in 1934-35 amounted to 37,000 short tons compared with 44,000 tons the year before; of unshelled nuts to 128,000 tons compared with 108,000 tons; and of peanut oil to 42,000 tons compared with 26,000 tons, Mr. Dawson reports. Most of the exports of shelled and unshelled peanuts went to markets in South China and to Europe but the American market (the United States and Canada) took over 52 percent of the shipments of peanut oil, or 22,000 short tons, compared with only 3,000 tons in 1933-34. The large increase in exports of peanut oil to the United States is attributed mainly to the reduced supply of domestic edible oils and reduced imports of copra, which are used in the manufacture of lard substitutes and margarines. January quotations of peanut oil f.o.b. Tsingtao, averaged $5.04 as against $5.45 per 100 pounds in January 1935.

It is expected that exports of shelled and of unshelled nuts during the 1935-36 season, which opened on November 1, will be below those of the 1934-35 crop year. The exports of peanut oil, however, will provably be about the same because the demand in the United States is fairly active.

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TOBACCO

Chinese demand for American tobacco improving

Demand for American flue-cured tobacco in China improved slightly during the past month but still remains relatively inactive, according to a radiogram from the Shanghai office of the Foreign Agricultural Service. Imports of American tobacco from the beginning of the marketing year in October 1935 through December totaled only 4,837,000 pounds as compared with 11,967,000 pounds for a similar period of the preceding year. There are some indications, however, that imports into China will increase as the year advances and it is expected that the total for the 1935-36 marketing year will not differ materially from the preceding year when 24,600,000 pounds of American tobacco were imported.

Cigarette production in factories from October 1935 to January 1936 has shown more than usual seasonal increase and is estimated at 6 percent above the output for the corresponding period of a year earlier. The recent limited improvement in business conditions has affected favorably the retail cigarette trade and should improve conditions continue, cigarette production and consumption during the current year might exceed those of the preceding year.

CROP AND MARKET PROSPECTS, CONT'D

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Cigarette manufacturers, however, continue to use larger proportions of Chinese tobacco in place of the high-priced American tobacco. Price competition between different firms is very keen, and the margin of profit is said to be small. This situation, coupled with the uncertainty regarding continuation of the present improved business conditions, discourages the manufacturers from buying (especially in the case of American tobacco) except for immediate use. Large production of hand rolled cigarettes in which little American tobacco is used is likewise an unfavorable factor in the demand situation.

Practically the entire 1935 Chinese flue-cured crop has been marketed and the total quantities sold confirm the estimate of the crop, which was placed at 155,000,000 pounds as compared with 140,000,000 pounds in 1934. Present indications are that the 1936 Chinese flue-cured acreage will equal or exceed the area planted in 1935. With average yields, 1936 production would exceed 1935, when yields were below average.

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FRUIT, VEGETABLES, AND NUTS

Palestine citrus fruit exports decreasing

Shipments of citrus fruit from Palestine this season are not expected to reach the proportions earlier estimated, according to a cablegram from Fred A. Motz, American Agricultural Commissioner at London. The latest advices indicate that about 1,125,000 boxes of oranges and 250,000 boxes of grapefruit are left for shipment from Palestine. Sizes are running large. European markets generally, and British markets particularly, desire medium- and small-sized oranges and grapefruit. Palestine is the chief supplier of grapefruit to the European markets during the winter season and, with the exception of Spain, the most important orange exporter. Shipments of oranges during February and March are expected to fall below those of last year.

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LIVESTOCK, MEAT, AND WOOL

Danube lard exports heavy in 1935

About 63,682,000 pounds of lard were exported from Danube Basin countries during the 1935 calendar year, according to preliminary figures supplied by the Belgrade office of the Foreign Agricultural Service. This is the largest annual lard export from the Basin since the World War, and

CROP AND MARKET PROSPECTS, CONT'D

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compares with about 40,565,000 pounds exported in 1926, the second largest post-war export, with 33,069,000 pounds exported in 1934, and with 13,889,000 pounds, the 5-year average for 1929-1933.

From the 1935 export of 63,682,000 pounds, Hungary supplied 53,203,000 pounds, or approximately 84 percent, most of the remainder being of Yugoslav origin. The principal importing countries in 1935 were Germany and Czechoslovakia, but some Hungarian lard was also shipped to England. Large exports in 1935 were made possible primarily as a result of reduced American competition, combined with the negotiation of barter agreements.

The intentions of Hungarian farmers, as reported on October 1, 1935, indicate that about 33 percent more lard-type hogs will be finished and marketed during the first quarter of 1936 than were sold during the same period in 1935, the Belgrade office reports. The average intended finished weight of fat barrows was reported at 375 pounds per head and that of fat sows at 400 pounds. Intended marketings of meat-type hogs indicate an increase of 9 percent for January-March 1936 in comparison with sales of finished meat hogs during the first 3 months of 1935. The average finished weight is expected to be about 285 pounds per head in the case of barrows and 330 pounds in the case of sows. The farmers, on whose reports the above estimates are based, owned a total of 654,400 head on October 1, 1935, as compared with a total number of 3,175,822 hogs found within Hungary, according to the last census completed on March 31, 1935.

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DAIRY PRODUCTS

Uruguay centralizes marketing of fluid milk and dairy products

\/ An organization has been established in Uruguay to handle the national supply of pasteurized milk and dairy products, according to Vice Consul H. B. Wells at Montevideo. The new organization is to be known as the National Milk Producers' Cooperative. The creative law, effective December 26, 1935, provides for the expropriation of four existing processing plants, for which payment shall be made at once by the Government. Two larger plants also are to be purchased, payment for which is to be made in bonds of the new organization. Operations are to be confined to the leading urban communities. The new legislation fixes the scale of prices at which milk shall be sold by producers, processors, and distributors. It provides also that specific quantities of milk shall be supplied daily to government services at special prices for relief purposes.

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MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA AND THE WEST INDIES a/

In addition to the four more important cotton-growing countries of Latin America, Brazil, Peru, Mexico, and Argentina, which in 1934-35 produced a total of 2,138,000 bales of cotton, there are a number of countries in Latin America in which cotton growing has attained some degree of importance, at least insofar as the internal economic structure of these countries is concerned. Among the smaller producers of cotton in Latin America are Paraguay, Colombia, Venezuela, Ecuador, Bolivia, El Salvador, Guatemala, and Nicaragua. Haiti and several of the British islands of the West Indies may also be included in this group of minor producers of cotton lying to the south of the United States. Cotton production in most of these countries has shown an upward trend during the past two or three years, primarily as a result of more favorable prices for cotton in relation to those for other crops. While detailed official data covering production in most of these countries are lacking, the available statistics indicate that their combined annual production is currently in the neighborhood of 110,000 bales.

Paraguay

Cotton was grown in Paraguay in considerable quantities during the American Civil War period, but its cultivation was largely discontinued during the years following that conflict. Since the World War, however, and particularly within the past two or three years, cotton production has again become of commercial importance in Paraguay, and the commodity has reappeared in appreciable quantities in the country's export trade.

Detailed production and acreage figures for recent years are not available, but it is believed that the following export statistics for lint cotton provide a reliable index of production, particularly in view of the fact that there was no machine spinning industry in Paraguay until 1934. Such domestic cotton as was utilized in the country until that year was for hand spinning, and probably did not exceed an average of 140 bales per year.

PARAGUAY: Lint cotton exports, 1919 to 1935

Year	Amount	Year	Amount	Year	Amount
1919........	161	1925.......	12,851	1931......	12,665
1920........	747	1926.......	9,255	1932......	13,254
1921........	497	1927.......	8,215	1933......	12,490
1922........	1,770	1928.......	11,332	1934......	36,678
1923........	4,057	1929.......	13,122	1935 a/...	37,819
1924........	13,387	1930.......	13,412		

Compiled from official sources. In bales of 478 pounds. a/ Estimated.

As will be noted, from 1924, when cotton exports became of importance in the Pargauayan statistics, to 1933 annual exports averaged in the

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a/ Prepared by Erwin P. Keeler, Foreign Agricultural Service Division.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

neighborhood of 12,350 bales of 478 pounds net. Within the past two or three years, production has shown a sharp upturn. Exports of lint cotton in 1934 totaled 36,678 bales, and are estimated at approximately 37,819 bales for 1935.

Virtually all of the Paraguayan cotton grown commercially consists of various varieties of the upland type, many of which are reported to be badly mixed, with resultant variation in staple length and quality. It is generally grown in small plots as a family undertaking, and with but limited use of modern farming implements. Shortage of capital, inadequate and expensive transportation facilities, lack of modern farming and ginning equipment, and competition with other products such as yerba mate and tobacco, in addition to unscientific methods of cultivation, are obstacles which, in the past at least, have prevented a wider development of the Paraguayan cotton industry. On the other hand, natural factors in the form of favorable climate and soil, and cheap and plentiful land, are generally considered advantageous to cotton production in Paraguay.

The Agricultural Bank of Paraguay, in an endeavor to improve the quality of Paraguayan cotton, has during the past several years distributed considerable quantities of seed and has been active in fostering cotton as a crop well adapted to the country. It is reported that the quality of recent crops has shown marked improvement as a result of the Bank's seed-distribution program. The local textile industry, heretofore dependent on the imported yarn, has recently installed spinning equipment and is reported to be utilizing between 900 and 1,400 bales of domestic cotton per year. A modern ginning plant was constructed last year at Asuncion, and should do much to offset past deficiencies in ginning equipment. These developments indicate an appreciation on the part of both the Government and private capital of Paraguay's advantages and disadvantages as a cotton producer, and represent initial steps in a move to place the industry on a sound commercial basis.

Colombia

Cotton production in Colombia received considerable stimulus during the World War, when the Colombian textile manufacturing industry, faced with high prices for imported cotton and yarn and with the wartime uncertainties of supply and of shipping facilities, turned to domestic growers for an increasing share of its raw-cotton requirements. However, while the Colombian government and the spinning and textile industries have endeavored to maintain and to increase interest in cotton production throughout the post-war years, it does not appear that cotton farming in Colombia has generally been placed on a scientific basis, and considerable quantities of raw cotton and yarn are still imported.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

Detailed official statistics covering cotton acreage and production in Colombia over recent years are not available, but estimates from private sources place production of lint cotton in a good year at around 2,510,000 kilograms (11,576 bales of 478 pounds net). Official statistics of cotton consumption in the various Colombian mills during the 7-year period from 1926 to 1932 would indicate that this estimate of production is somewhat liberal, average mill consumption of native cotton over this 7-year period having been approximately 8,880 bales per year. Consumption of imported cotton, most of which was from the United States, averaged 4,416 bales per year over the same period.

COLOMBIA: Textile mill equipment and cotton consumption, 1936 to 1932

Year	Mills	Spindles	Looms	Cotton consumption a/		
				Native	Imported	Total
	Number	Number	Number	Bales	Bales	Bales
1926	14	47,260	1,894	9,650	4,215	13,865
1927	16	39,640	1,927	9,524	5,744	15,268
1928	17	39,870	1,990	10,294	3,550	13,844
1929	16	48,340	2,087	8,312	3,592	11,904
1930	16	47,169	2,012	7,737	2,253	9,990
1931	19	46,140	2,079	7,713	4,847	12,560
1932	23	51,876	2,285	8,939	6,711	15,650

Compiled from official sources. a/ Bales of 478 pounds.

It is generally estimated that 75 to 80 percent of the cotton produced in Colombia is grown in the north (Caribbean) coast departments of Atlantico, Bolivar, and Magdalena, with the remainder largely divided among Santander, Norte de Santander, Antioquia, and Boyaca. Barranquilla is generally considered the central market for cotton from the three departments of Atlantico, Bolivar, and Magdalena, spinners throughout the country coming to that city to buy. Production in other sections of the country is primarily designed for local consumption. Cotton is usually grown in Colombia by small independent farmers and, with the exception of one or two mill-owned plantations, is not produced on a scientific basis. Both annual and perennial cottons are grown. Varieties are reported to be badly mixed and much of the cotton irregular in staple length and character. It is often sown with other crops, usually corn, and cultivation is largely by hand. Picking is often careless, it being reported that as much as 20 percent of the crop is lost through improper harvesting. Lack of transportation facilities has also handicapped the average small producer.

Both the Colombian Government and the textile manufacturing industry have been active in endeavoring to overcome these obstacles to

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

increased cotton production and in encouraging farmers to take advantage of the favorable factors, such as climate, plentiful land, and an established textile manufacturing industry. For example, a group of Colombian textile mills has recently formed a joint-stock company, the main object of which is to promote the production of cotton and to handle the purchases of this commodity for the mills. It is reported that in order to stimulate domestic cotton production this company and other independent cotton textile manufacturers have decided to pay local farmers for their native cotton the equivalent of the cost (c.i.f. cost plus tariff charges) of imported American cotton. This policy has resulted in a very considerable increase in the prices paid to local cotton growers. Certain of the mills make it a practice to distribute selected seed gratis. The Colombian Government, through its experiment stations, has been working on the improvement of varieties. The Ministry of Agriculture has distributed a large amount of cotton seed, as well as insecticides, and educational literature. Increased credit facilities have also been made available to the small cotton farmers through the agricultural credit bank. There has recently been considerable agitation for an increase in the tariff rate on imported raw cotton, which at present is equivalent to approximately 2.6 cents per pound.

Venezuela

While the growth of a domestic textile industry, coupled with a protective tariff policy applied to both textiles and raw cotton, has probably increased cotton production in Venezuela in recent years, cotton has never become a major crop in that country. Official production and consumption figures are not available, but export and import statistics for recent years indicate that cotton production and consumption have been closely balanced as no appreciable export or import shipments of raw cotton have appeared in these statistics since 1932.

Estimates from private sources place average annual cotton production in Venezuela at 8,500 to 10,600 bales of 478 pounds each. The importation of raw cotton into Venezuela has been virtually discontinued since 1932, when, in line with the Government's policy of protection to agriculture, the duty on raw cotton was increased around 400 percent, to a figure roughly equivalent at current rates of exchange to 22.7 cents per pound. Previous to this increase in the tariff on raw cotton, production had not kept pace with the requirements of the local textile manufacturing industry, imports of raw cotton during the four years of 1928-1931, principally from the United States, having averaged 2,220 bales per year. The fact that local cotton production during those years was not adequate to meet domestic requirements may also be attributed in part to the shortage in agricultural labor resulting from the rapid development of the petroleum industry.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

Venezuela's traditional cotton-producing district is in the Lake Valencia region, in the states of Aragua and Carabobo. The eastern states of Anzoategui, Monagas, and Sucre also produce considerable amounts of cotton, having become increasingly important in recent years, while smaller quantities are grown in the states of Lara, Falcon, Yaracuy, and Portugueza. In general, it may be said that cotton is not grown in Venezuela in a systematic fashion. As a rule, the crop is grown on small plots of land, and soil preparation and cultivation are not on a scientific basis. Many growers do not consider it necessary to replant each year, and while the same planting may produce for three or four years, yields tend to decline after the first year. Reports indicate that both American and Peruvian varieties are grown, but much of the cotton is mixed and so lacks uniformity in staple-length and character.

The Venezuelan Government has actively encouraged agricultural production, primarily through the medium of the Agricultural Bank, as well as through experiment station work and seed distribution. In the case of the cotton growers, it is reported that mill owners have facilitated production by credit advances to cotton farmers. However, the labor supply in Venezuela is not at all plentiful in the rural districts, particularly since the petroleum industry has developed on a large scale, and, although the country apparently has considerable land suitable for cotton production, it does not appear that Venezuela will produce an appreciable quantity of cotton in excess of domestic requirements in the near future.

Ecuador

While climate and soil in several regions in Ecuador are considered well suited to its production, cotton has never attained the importance of such crops as cacao, coffee, and rice. The domestic textile industry is a comparatively new development, and until recent years these competitive crops usually commanded more favorable prices than cotton.

Although cotton production until 1935 was not usually adequate to meet domestic mill requirements, the Ecuadoran Government on November 4, 1935, promulgated a decree suspending the further importation of foreign cotton and providing for the purchase of all domestic cotton by the Central Bank at current prices, the Bank to resell the cotton to the local mills at cost plus handling expenses.

Over the seven crop years of 1928-29 to 1934-35, cotton production is estimated to have averaged 6,181 bales per year, while imports averaged 2,541 bales. The 1934-35 crop is reported to have totaled 8,150 bales of 478 pounds each. The following table shows estimated yearly cotton production, as well as imports and provides a basis for estimate of domestic textile mill consumption, as exports of cotton during this period were of negligible importance.

ECUADOR: Cotton production and imports, 1928-29 to 1934-35
(In bales of 478 pounds)

Crop year	Production	Calendar year	Imports
	Bales		Bales
1928-29	5,097	1928	2,330
1929-30	6,788	1929	2,090
1930-31	9,414	1930	235
1931-32	4,740	1931	922
1932-33	3,888	1932	4,249
1933-34	5,188	1933	5,962
1934-35	8,150	1934	1,997
		1935 (Jan.-June)	213

Crop estimates from private sources; import figures based on official statistics.

Practically all of the cotton production in Ecuador centers in the three provinces of Guayas, Los Rios, and Manabi, each of which contributes about a third of the total crop. The land to be planted to cotton is usually cleared by hand labor, and is seldom plowed. Domestic seed is usually planted, although some seed is occasionally imported from Peru. Planting takes place about January and February, with the beginning of the rainy season. The crop is harvested in August or September and is usually shipped to the gins, most of which are located in Guayaquil, in jute bags containing one Ecuadoran quintal (101.4 pounds). Transportation represents an important factor, as most of the cotton fields are 30 miles or more distant from the gins, while in the case of the province of Manabi, it is necessary to ship by coasting-vessels for a distance of around 140 miles.

Over the past three or four years the Ecuadoran Government has shown increased interest in stimulating local cotton production, culminating in the decree of November 4, 1935, prohibiting the importation of foreign cotton. Much of this interest doubtless arises from the Government's desire to decrease the export of capital entailed in purchasing a substantial part of domestic mill requirements abroad. Leading Ecuadoran agriculturists and officials in the Ministry of Agriculture consider that the present acreage in the provinces of Guayas, Los Rios, and Manabi is susceptible of considerable increase. In addition, the province of Oriente, lying to the east of the Andes, at the headwaters of the Amazon, is believed to have large areas suitable for cotton production, but it is doubtful whether this region, because of its limited population and communication facilities, is likely to play an important part in Ecuadoran cotton production in the near future.

Bolivia

Cotton production in Bolivia has not attained any great degree of importance in the agricultural life of the country. While small quantities of cotton are produced in the provinces of Tarija and Santa Cruz, to the east of the Andes chain, the present costs of transportation to La Paz, where the country's only cotton mill is located, appear to be too high to make cotton production in those regions economically feasible. Estimates of production for recent years are not available, but over the 5-year period from 1924-25 to 1928-29 annual production was estimated at approximately 2,100 bales.

The up-to-date spinning and weaving mill erected in La Paz in 1928, with 6,000 spindles and 246 looms, depends largely on imported cotton, practically all of which is supplied by the United States. The following table of exports of raw cotton from the United States to Bolivia during the years from 1930 to 1935, inclusive, provides a fair index of cotton-mill consumption in Bolivia.

RAW COTTON: United States exports to Bolivia, 1930 to 1935
(In bales of 500 pounds)

Year	Amount
	Bales
1930	2,801
1931	2,590
1932	2,932
1933	4,098
1934	4,172
1935	2,886
Average	3,246

Compiled from Foreign Commerce and Navigation of the United States, and official records of the Bureau of Foreign and Domestic Commerce.

Reports indicate that Bolivia possesses considerable areas of land in the eastern provinces of Tarija, Santa Cruz, and El Beni which might be adapted to cotton production. However, problems of transportation and inadequate population make it doubtful whether there will be an appreciable increase in cotton production in this region in the near future.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

El Salvador

Cotton farming was first undertaken on a commercial scale in El Salvador in the early 1920's, with active government encouragement, in an endeavor to make the country less dependent on a one-crop (coffee) system. Whereas in 1920 only 20 acres were planted to cotton, in 1923 cotton plantings were reported to have reached 2,000 acres and in 1924 the record figure of 40,000 acres. The Salvadoran Government imported specially selected Acala seed from California, and local planters invested considerable money in cotton cultivating and ginning machinery. As a result of serious inroads of insect pests, however, the 1924 crop proved disappointing, totaling only 10,460 bales of 478 pounds, equivalent to approximately 125 pounds per acre. As a result, 1925 cotton acreage fell off to about 20,000 acres. Primarily as a result of the same pests, the 1925 yield was even more disappointing than that of 1924, amounting to only about 2,092 bales, equivalent to 50 pounds per acre. Following these two unsuccessful crops, very little cotton was planted in 1926, and from that year until 1934 production was negligible.

Inasmuch as the first cotton-spinning mill was not established in El Salvador until 1932, the following table of cotton exports provides a fairly reliable index of cotton production until that year.

EL SALVADOR: Cotton exports, 1924 to 1933
(In bales of 478 pounds)

Calendar year	Exports	Calendar year	Exports
	Bales		Bales
1924	1,851	1929	215
1925	10,638	1930	450
1926	2,437	1931	241
1927	230	1932	36
1928	188	1933	188

Compiled from official sources.

Salvador now has two cotton-spinning mills, the first of which, with an annual capacity of approximately 600,000 pounds of yarn, was established in 1932. In order to meet the requirements of this newly established spinning industry above the domestic supply of raw cotton, the country imported 1,335 bales of cotton in 1933 and approximately 1,100 bales in 1934, practically all from the United States.

As a result of low coffee prices, the attention of the country has once more been drawn to the weaknesses of a one-crop system, and it has again been decided to attempt to grow locally at least enough cotton

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

to meet the requirements of the domestic spinning industry. By decree of October 10, 1934, the duty on imported raw cotton was quadrupled, a rate of $9.00 United States gold per 100 kilograms (4.08 cents per pound) being made effective. Preliminary estimates placed the 1935 requirements of the domestic spinning industry at 5,230 bales of 478 pounds. Salvadoran estimates in the fall of 1934 placed prospective cotton production for the winter crop, maturing in December 1934, at about 3,138 bales of 478 pounds, while it was anticipated that a similar acreage would be planted in November 1934 for harvest in April 1935.

El Salvador is the most densely populated of the Central American republics, with 109 inhabitants to the square mile. In addition to a plentiful labor supply, the 1924 peak cotton acreage would indicate that El Salvador has a considerable amount of land suited to cotton production. Hence, it would seem that future prospects for cotton production in that country will depend largely on the results obtained in combating the insect pests which were the primary cause of the failure of the earlier attempt at cotton production.

Guatemala

Cotton production in Guatemala has never been of any great commercial importance to the country, although the crop has long been grown on a small scale. Private estimates place average production over the 10-year period from 1920-21 to 1929-30 at approximately 700 bales per year. Most of the Guatemalan cotton is grown in small scattered plots of land, under rather primitive methods of soil preparation and cultivation, probably the only exception of importance being in the case of one of the two domestic textile factories, which in 1930 was reported to have about 450 acres planted to cotton.

This mill, located at Quetzaltenango, attempts to encourage cotton growing by private producers, furnishing seed and instruction. As yet, however, it does not appear that any wide-spread interest has been developed in cotton production, and Guatemala imports a considerable part of the requirements of the two domestic textile mills. Over the 5 years from 1931 to 1935, the United States, which supplies the major part of Guatemala's imports of raw cotton, shipped an average of 979 bales (500-pounds each) of cotton per year to that country.

Nicaragua

Cotton has long been grown on a small scale in Nicaragua's northwestern provinces of Chinandega and Leon. Inasmuch as there is no domestic textile industry, beyond a few hand looms, the export statistics provide a reasonably accurate picture of Nicaraguan cotton production.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

NICARAGUA: Exports of cotton, 1921 to 1935
(In bales of 478 pounds)

Year	Amount	Year	Amount
	Bales		Bales
1921	1,284	1929	--
1922	10	1930	677
1923	346	1931	499
1924	1,262	1932	--
1925	604	1933	--
1926	94	1934	441
1927	171	1935 (Jan-June) a/	976
1928	2		

Compiled from Annual Reports of the Collector General of Customs and High Commission of Nicaragua.
a/ Unofficial.

It is reported that during 1924, a year of unusually heavy plantings, about 5,000 acres were given over to cotton in the departments of Chinandega and Leon. However, insect pests discouraged planters, who usually consider that a good crop can be obtained from virgin soil, but that a second planting on the same soil is likely to result in serious loss from insect pests.

Within the past year or two, under the stimulus of relatively favorable prices for cotton, there has been a considerable revival of interest in this crop in Nicaragua. It is estimated that 1935 plantings reached a figure in the neighborhood of 7,000 acres and that the crop, harvesting of which is now being completed, will probably approximate 3,000 bales.

Haiti

Cotton production has come to occupy an increasingly important place in Haitian agriculture during the past 10 or 15 years, with exports of this commodity ranking second only to coffee in value in recent years and accounting for about 10 percent of the value of total Haitian exports.

As practically the entire crop is exported, the Haitian export statistics provide a reliable index of production. The table on the following page shows the exports of raw cotton during the past nine years, with averages for earlier years.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

HAITI: Exports of raw cotton, averages 1916-17 to 1920-21, 1921-22 to 1925-26, annual 1926-27 to 1934-35
(In bales of 478 pounds)

Fiscal year October 1 to September 30)	Amount
Average	Bales
1916-17 to 1920-21	11,476
1921-22 to 1925-26	17,968
Annual	
1926-27	22,604
1927-28	20,419
1928-29	21,929
1929-30	23,635
1930-31	19,244
1931-32	29,095
1932-33	26,965
1933-34	24,453
1934-35	35,360

Compiled from official sources.

Most of the Haitian cotton crop is grown on the west coast of the island, in the regions about Saint Marc and Gonaives, the first of these towns being the major export center for Haitian cotton. Smaller quantities of cotton are also grown for export along the southern coast of Haiti.

Cotton is grown in Haiti chiefly by small peasant farmers, often as a semi-wild crop, with little attention once it is established, beyond gathering the crop and cutting the plants back after the harvest. A great deal of progress has been made during recent years, however, in increasing production and in improving the quality of the Haitian crop. Stabilized political conditions, improved communications, and active government assistance to growers have been among the factors contributing to the increase in cotton production. The Haitian Agricultural Service, with the aid of American technicians, has been extremely active in fostering improved agricultural methods and in the development and distribution of improved varieties of seed. Export shipments in commercial quantities have been made recently of an improved variety of long-staple native cotton which was developed through scientific seed selection.

Haiti possesses an abundant supply of cheap labor, with an average of 250 inhabitants to the square mile, but the supply of land suitable for cotton production is limited. Although definite figures are not available, estimates of agricultural experts placed the total area devoted to cotton in 1930 at 170,000 acres, with perhaps double this amount available for future production.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

British West Indies

While total production is not large, cotton is a traditional crop in several of the British West Indian islands, and at present they represent the major source of supply of Sea Island cotton. At the end of the eighteenth century, before the development of cotton production in the United States, these islands are said to have been England's chief supplier of raw cotton.

During recent years, cotton production in the British West Indies has been confined almost exclusively to Sea Island, aside from a limited amount of Marie Galante cotton. Data covering production of Marie Galante cotton are not available, but exports, all from the islands of Granada and St. Vincent, were equivalent to an average of 837 bales (478 pounds each) per year over the 9-year period from 1925 to 1933.

The area devoted to Sea Island cotton in the British West Indies averaged 11,696 acres per year over the 12-year period from 1921-22 to 1932-33. Average annual lint production was 1,485,000 pounds, equivalent to 3,106 bales of 478 pounds net, the average yield per acre having been 127 pounds.

BRITISH WEST INDIES: Sea Island cotton acreage and production, 1921-22 to 1932-33
(In bales of 478 pounds)

Year	Acreage	Production
	Acres	Bales
1921-22	10,036	3,058
1922-23	13,586	3,719
1923-24	13,719	2,867
1924-25	12,077	2,973
1925-26	15,869	4,154
1926-27	16,807	3,947
1927-28	9,146	3,213
1928-29	10,786	3,586
1929-30	11,124	3,374
1930-31	14,712	3,747
1931-32	5,925	1,235
1932-33	3,659	1,213

Compiled from the Report of West Indian Sea Island Cotton Conference, Trinidad, 1933.

The average area planted to Sea Island cotton in the several islands and average lint production in each island for the 12-year period 1921-22 to 1932-33 are shown on the following page.

MINOR COTTON-PRODUCING REGIONS OF LATIN AMERICA, CONT'D

BRITISH WEST INDIES: Average acreage and production of Sea Island cotton in each island, 1921-22 to 1932-33
(In bales of 478 pounds)

Island	Acreage	Production
	Acres	Bales
Barbados............ a/	1,930	415
St. Vincent..........	3,263	788
Montserrat...........	2,774	1,018
St. Kitts............	1,274	422
Nevis................	1,644	315
Anguilla............. b/	253	33
Antigua..............	558	115
Total..............	11,696	3,106

Compiled from the Report of the West Indian Sea Island Cotton Conference, Trinidad, 1933.
a/ For seed supply only.
b/ Average for eight years only.

Consumption of Sea Island cotton has fallen off during recent years, as a result of competition from other types of cotton and from artificial silk and of the decline in demand for luxury articles, such as lace, during the depression years. Producers in the British West Indies organized in 1933 the West Indian Sea Island Cotton Association, which fixed for each island (a) an acreage allotment for the 1934 planting, (b) the maximum amount of lint from the 1934 crop to be exported, and (c) the amount of this lint which could be held unsold in the United Kingdom and Europe at any one time.

Under this plan, the 1934 acreage allotment for the various islands was fixed at a total of 5,700 acres, maximum lint exports from the 1934 planting were not to exceed a total of 787,000 pounds (1,646 bales of 478 pounds), and the amount of lint to be held abroad unsold was not to exceed 551,130 pounds (1,153 bales of 478 pounds) at any one time. Complete data concerning the operation of the plan in 1934 are not available. although it was reported subsequently that the island of Montserrat planted 4,000 acres of cotton, or double the acreage (2,000 acres) allotted it under the agreement. Holdover stocks as well as any 1934 production in excess of that originally contemplated appear to have been disposed of successfully,however, as visible stocks at the end of November 1934 were reported at 678,000 pounds (1,418 bales of 478 pounds) against 1,004,790 pounds (2,102 bales of 478 pounds) at the end of November 1933. Further, at a meeting of the Association held in November, 1934, it was agreed that the total acreage allotment of the various islands for the year 1935-36 should be approximately 8,500 acres, to produce 1,250,000 pounds (2,615 bales of 478 pounds) of lint.

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